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PRESS RELEASE

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City of Cupertino: Vallco Town Center Application under SB 35 is in Compliance with Applicable Planning Standards

Project is Poised to Become California's First Approval under SB 35

Cupertino, Calif. (June 25, 2018) – Sand Hill Property Company, the owner of Vallco Mall in Cupertino, received a Notice of Streamlining Eligibility from the City of Cupertino on June 22, confirming that the Vallco Town Center project qualifies for streamlined review pursuant to California Senate Bill 35 (“SB 35”).

The City’s notice, issued within 90 days after the developer submitted its application for “Vallco Town Center”, puts the project in line to become the first in California to be approved under the newly enacted SB 35 upon the completion of the statute’s 180-day approval timeline. During the remaining 90 days the City will undertake a more detailed review of technical plans in preparation for issuance of development permits for the project and ultimately demolition and building permits.

“This is an important first step toward a viable future at Vallco,” said Reed Moulds, Managing Director at Sand Hill Property Company. “Our world-class project, the first in the state to be deemed compliant with the laws set forth under SB 35, will both combat our region’s worsening housing crisis and provide the vibrant downtown environment Cupertino has long desired. As we prepare to move through the final permitting process and prepare for demolition, we will be working with the mall’s remaining tenants to ensure their operations are not impacted and, where applicable, their transition into the Town Center is smooth.”

The submission of Vallco Town Center under SB 35 is in direct response to California’s acute housing shortage and the Governor and State Legislature’s recent declaration that access to housing, and in particular affordable housing, is a matter of statewide concern. Vallco Town Center mandates 50% of its 2,402 housing units to be built as affordable housing.

“Vallco Town Center will bring 2,402 sorely needed housing units to Cupertino and designate an unprecedented 50-percent – 1,201 units – as affordable for low- and very low-income households, which will be at a fraction of market rates,” said Moulds.

Moulds also reiterated Sand Hill’s continued support of the City’s ongoing Specific Plan process for the Vallco planning area. While SB 35 requires the project application to be processed pursuant to the statutory timelines in the legislation, Sand Hill Property Company has committed to work hand-in-hand with Cupertino residents and officials to arrive at a viable, community-driven outcome, on the condition the Specific Plan prioritizes housing and does not succumb to the delays or challenges that have characterized past planning efforts in Cupertino.

“Above all, we are pleased to be on the path to finally revitalizing the dead Vallco mall. We are enthusiastically preparing to build Vallco Town Center, just as we are eager to find out if the City can conclude their community-driven process later this year with an even better solution for all,” said Moulds. “One way or another, we now feel we are on the cusp of moving this long-awaited project forward, and we are proud to be doing so in a way that begins to chip away at Silicon Valley’s dire housing shortage.”

Vallco Town Center borrows heavily from a previous plan proposed in 2015 for the revitalization of the mall, the “Hills at Vallco,” which was unsuccessfully challenged at the ballot by a local anti-housing PAC. The new plan retains key amenities from “the Hills at Vallco” such as a 30-acre rooftop park, ground level open space including a destination town center plaza, and an exciting retail and entertainment district to be anchored by new, state-of-the-art movie theatres, bowling alley and ice facilities.

To ensure compliance with the precise requirements of SB 35 and to address past critiques, Vallco Town Center reduced total office area (including unoccupied or amenity spaces) from approximately 2.4 million to 1.81 million square feet, and right-sized the retail area from 640,000 square feet to 400,000 square feet to better reflect evolving and real market conditions.

For more information about the Vallco Town Center project and SB 35 process, visit www.revitalizevallco.com.

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